

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7628

BILL NUMBER: HB 1266

NOTE PREPARED: May 16, 2007

BILL AMENDED: Apr 28, 2007

SUBJECT: Twenty-First Century Scholarships.

FIRST AUTHOR: Rep. Avery

FIRST SPONSOR: Sen. Lubbers

BILL STATUS: Enrolled

FUNDS AFFECTED: ___ **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: *Students in Foster Care:* This bill provides that a student who is in foster care, or placed in a child caring institution, a group home, or the home of a relative or other unlicensed caretaker: (1) is considered a full-need student by the state student assistance program; and (2) receives information concerning the Twenty-First Century Scholars Program from the student's caseworker. It requires the State Student Assistance Commission to adopt rules allowing a student in foster care to enroll in the Twenty-First Century Scholarship Program at any time during high school if the student agrees to meet certain eligibility criteria for at least six months after graduation from high school.

Students in Nonpublic Schools: The bill allows students in certain nonpublic schools that are not accredited by the State Board of Education to become eligible students for the Twenty-First Century Scholarship Program.

Conforming Amendments: The bill makes amendments to conform with the higher education recodification.

Effective Date: Upon passage; July 1, 2007.

Explanation of State Expenditures: *Students in Foster Care:* The bill could increase the number of students eligible for the Twenty-First Century Scholars Program. The impact would depend on the number of foster care students that may become eligible. The number of additional students would probably be small. The caseworker is required to provide the student with information about the Twenty-First Century Scholars Program and the student who receives the information must sign a written acknowledgment that they received the information. The additional cost of providing the information should be minor.

For each 100 additional students that might qualify, the increase in the Twenty-First Century Scholars grants would be about \$100,000 since they would also receive funds from the Frank O'Bannon grant program. The Twenty-First Century Scholars grants are subject to appropriation.

The requirement that the State Student Assistance Commission consider a student who is in foster care as a full-needs student could simplify the application process and reduce the Commission's administrative costs. The bill could increase the cost of the Frank O'Bannon grant if the student qualifies for more aid. The increase would probably be minor and would be subject to appropriation.

Background: To be eligible to receive a Twenty-First Century Scholars grant the student has to meet the following requirements.

1. Be a resident of Indiana.
2. Be enrolled in the 8th grade at a public or accredited nonpublic school.
3. Be eligible for free or reduced priced lunch.
4. Agree in writing, together with the students's custodial parents or guardian, that the student will:
 - a. Graduate from high school and meet the admission requirements to college.
 - b. Not illegally use a controlled substance.
 - c. Not commit a crime or infraction, crime, or delinquent act. .
 - d. When the eligible student is a senior in high school apply:
 - i. To an institution of higher learning for admission.
 - ii. For any federal or state student financial assistance.
 - e. Achieve a cumulative grade-point average upon graduation of at least 2.0.

As of January 10, 2007, there were about 2,361 foster care children. The Twenty-First Century Scholarship provided about \$19.9 M in awards to 8,945 students for FY 2006 with an average award of \$2,228.

Students in Nonpublic Schools: The bill could increase the state expenditures for the Twenty-First Century Scholar program. It is unknown how many students in a private school not accredited by the Department of Education but accredited by a national or regional accrediting agency might qualify for this program. The bill requires the State Student Assistance Commission before June 30, 2008, to offer nonpublic students an opportunity to enroll in the Twenty-First Century Scholar program if they meet the eligibility requirements. The average Twenty-First Century scholarship is estimated to be about \$2,500 for FY 2008.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Student Assistance Commission.

Local Agencies Affected:

Information Sources: State Student Assistance Commission budget documents.

Fiscal Analyst: Chuck Mayfield, 317-232-4825.